**ENGAGEMENT LETTER**

April 7, 2020

Ministry of Economy and Finance
Avenida Amazonas entre Pereira y Unión Nacional de Periodistas
Plataforma Gubernamental de Gestión Financiera, Floors 10 and 11
Quito, Ecuador

Attention: Undersecretary of Public Finance

Ladies and Gentlemen:

1. Citigroup Global Markets Inc. is pleased to confirm our appointment by the Republic of Ecuador ("**Ecuador**") to serve as the sole dealer manager and consent solicitation agent in connection with the proposed: (i) consent solicitation or one or more liability management transactions (the "**Interest Deferral Transaction**") to seek the consent of eligible holders of Ecuador's existing series of NY law governed notes (collectively, the "**Existing Securities**") to defer interest payments or make a deferral of any other form, and (ii) one or more liability management transactions in the form of exchange offers, consent solicitations, tender offers, repurchases or any other similar transaction of the Existing Securities resulting in the refinancing of such Existing Securities (the "**Definitive Liability Management Transaction**"). As used herein, "Citi" shall mean Citigroup Global Markets Inc., Citigroup Global Markets Limited and/or any affiliate thereof, as we determine appropriate to perform the services described herein.

2. This letter sets forth Citi's engagement to act as sole dealer manager and consent solicitation agent in connection with the Interest Deferral Transaction and the Definitive Liability Management Transaction or other applicable liability management transaction (each such transaction, a "**Transaction**"). Additional terms and conditions of each Transaction will be determined by mutual agreement between Ecuador, acting through the Ministry of Economy and Finance (the "**Ministry**"), and Citi as set forth in a definitive dealer manager agreement or consent solicitation agreement in respect of each Transaction (the "**Agreement**") evidencing the obligations of Citi in connection with such Transaction.

3. The obligation of Citi to proceed with any Transaction shall be subject to, among other things, (i) the negotiation, execution and delivery of in connection with any consent or liability management transaction, a solicitation agreement or dealer manager agreement, as the case may be, and such ancillary documents as are customary in connection with a transaction of this nature, upon terms and conditions mutually satisfactory to Citi and the Ministry, (ii) completion of a satisfactory "due diligence" investigation by Citi, (iii) the approval of the relevant internal committees of Citi, (iv) the receipt of all requisite regulatory, governmental and other consents required to consummate the relevant Transaction, and (v) the receipt of all such legal opinions and disclosure letters as may be required by Citi in connection with a Transaction.

4. Ecuador, acting through the Ministry, shall indemnify and hold harmless Citi, affiliates of Citi and the respective directors, officers, agents and employees of Citi and its affiliates that assist it in a Transaction and each person, if any, who controls Citi within the meaning of Section 15 of the Securities Act or Section 20 of the U.S. Securities Exchange Act of 1934, as amended, (the "**Exchange Act**") in accordance with the terms of Annex A hereto, which is incorporated herein

in its entirety. Each such person is referred to as an "Indemnified Person". The indemnity and contribution provisions of the Agreements shall be customary in connection with a Transaction of its type and shall supersede the terms set forth in Annex A hereto.

5. In connection with Citi's services hereunder, the relevant agreements in connection with each Transaction will provide for Citi to be paid the following fees (the "**Fees**") upon receipt of the required consents or tenders, as applicable, for such Transaction: (i) for the Interest Deferral Transaction, an amount equal to 0.025% of the outstanding principal amount of the Existing Securities for which valid consents are received (but not revoked) pursuant to such Transaction; and (ii) for the Definitive Liability Management Transaction, an amount equal to 0.075% of the Existing Securities for which valid consents and/or tenders, as applicable, are received (but not revoked or withdrawn) pursuant to such Transaction; provided that, 100% of the fees received by Citi in connection with the Interest Deferral Transaction shall be credited to the fees payable by Ecuador to Citi in connection with the Definitive Liability Management Transaction. The Fees in connection with each Transaction shall be paid prior to and as a condition to the consummation and settlement of such Transaction and, to the extent applicable, the effectiveness of any amendment, modification or waiver to the Existing Securities.

6. All fees, expenses and other payments under this letter shall be paid without giving effect to any withholding or deduction of any tax or similar governmental assessment. If the Ministry is required by law to deduct or withhold any amounts with respect to any such tax or assessment or if any such tax or assessment is required to be paid by Citi or any of their respective affiliates as a result or arising out of this engagement, the Ministry shall pay Citi such additional amounts as shall be required so that the net amount received by Citi from the Ministry after such deduction, withholding or payment shall equal the amounts otherwise payable to Citi under this letter. If any goods and services tax, value added tax or other similar tax is payable with respect to the fees paid or payable to Citi under this engagement, Citi will add the amount of such tax to their respective invoices and the Ministry shall pay Citi such tax. If withholding tax is applicable, the Ministry will provide Citi with an original or authenticated copy of the tax receipt.

7. If Ecuador terminates this agreement prior to the consummation of the Interest Deferral Transaction and/or the Definitive Liability Management Transaction and completes a transaction equal or similar to either such Transaction within 12 months following such termination with a different solicitation agent, dealer manager or financial institution, Citi shall be paid the Fees set forth above in connection with any such transaction. For the avoidance of doubt, Ecuador's consummation of one of the Transactions shall not relieve it of its obligations hereunder in connection with the other Transaction.

8. In the relevant agreements in connection with each Transaction, Ecuador will agree to reimburse Citi for all of its reasonable out-of-pocket fees and expenses incurred in connection with such transactions, to paid by the Ministry in U.S. Dollars upon submission to the Ministry of adequate documentation evidencing such fees and expenses, including, without limitation, FINRA fees (if applicable), fees or expenses relating to the publication of any information memorandum, any information agent fees, costs and expenses of international and local counsel to Citi, road-show expenses, travel expenses, including transportation and other expenses incurred by or on behalf of Ecuador's representatives, and printing expenses.

9. In connection with Citi's engagement hereunder, Citi shall provide the following services as appropriate:

   (a) provide structuring advice to Ecuador with respect to the Transactions, including assisting and advising Ecuador with regard to analyzing, structuring and effecting the Transactions and negotiating with existing holders of Existing Securities;

(b) advise Ecuador on the design and marketing of the Transactions;

(c) work with Ecuador's financial advisors in preparing a debt sustainability analysis;

(d) assist in the preparation, review and distribution of a Consent Solicitation Statement, Offer to Purchase, Exchange Offer Memorandum or similar document that Ecuador (with the assistance of its counsel) will prepare and other related documentation otherwise transmitted to the holders of Existing Securities in connection with the Transactions and each amendment or supplement to any of the foregoing (collectively, the "Transaction Documents");

(e) assist Ecuador in determining the consideration to be offered in each Transaction;

(f) advise Ecuador as to the strategy and tactics of negotiations with such existing holders of Existing Securities and participate in such negotiations;

(g) if a creditors' committee is formed following the announcement of the proposed Transactions, assisting Ecuador in communicating with (and meeting with) that committee;

(h) engage with holders of the Existing Securities; and

(i) provide such other investment banking services as are customary for similar transactions and as may from time to time be agreed upon by Citi and Ecuador in writing.

10. The Ministry agrees to provide Citi, in connection with any Transaction, with financial and other information reasonably requested by it for the purpose of its engagement hereunder. Citi agrees that until two (2) years from the date of expiration or termination of this letter, all such information and all information of whatever nature relating to the Transactions (the "**Confidential Information**") shall be held in confidence and not disclosed to anyone, except as permitted below, and shall ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information of a similar nature. "Confidential Information" excludes information that:

(a) is or becomes public information other than as a direct or indirect result of any breach of this letter by either the Ministry or Citi;

(b) is or becomes public information due to disclosure by the Ministry;

(c) is identified at the time of delivery as non-confidential by the Ministry or its advisers;

(d) was already in the possession of, or was independently created by, Citi or its Representatives (as defined below); or

(e) was or becomes available to Citi or its Representatives (as defined below) from a source other than the Ministry or its advisers, provided that such source was not known by Citi or its Representatives to be bound by any agreement with the Ministry to keep such information confidential.

Notwithstanding the above, Citi may disclose Confidential Information:

(a) to its affiliates and its and their respective officers, directors, employees, professional advisers, agents and auditors (collectively "**Representatives**") provided that each such person is aware of the Citi's obligations under this letter and Citi shall procure that each such person complies with such obligations;

(b) to the extent required or requested by law, regulation, any order of any court of competent

jurisdiction or any competent judicial, subpoena, governmental, regulatory or supervisory body or stock exchange or in connection with any legal proceedings (including, without limitation, any action or proceeding or exercise of remedies related to this engagement or the relationships referred to herein);

(c) with the prior written consent of the Ministry; or

(d) if such disclosure is made in connection with any Transaction and/or the marketing of the Existing Securities, only to the extent that such disclosure is necessary to meet disclosure obligations to investors under applicable law or to the extent it is in the Solicitation Statement, offering memorandum or materials in the deal or non-deal road shows;

provided that before Citi discloses any Confidential Information under the immediately preceding sub-paragraph (b) above, Citi shall promptly (to the extent permitted by law, regulation or regulatory authority) inform the Ministry of the full circumstances within its knowledge of such order and the information to be disclosed and consult with the Ministry as to any possible steps to avoid or limit disclosure and take any such steps as may be reasonably required.

11. Notwithstanding anything to the contrary in this letter, nothing in this letter shall restrict or prevent: (i) Citi, its Representatives or Ecuador from complying with all applicable disclosure laws, regulations and principles in connection with the Transaction, (ii) Citi or its Representatives from considering Confidential Information for due diligence purposes, (iii) Citi or its Representatives from retaining documents or any other information in connection with the due diligence referred to in (ii) above, or (iv) Citi or its Representatives from using any such documents or other information (including any Confidential Information) in investigating or defending itself against allegations or claims made or threatened by purchasers, regulatory authorities or others in connection with any Transaction.

12. This letter, including the mandate set forth herein, shall remain valid and effective for a period of 12 months from the date hereof, after which the mandate shall expire automatically without further notice; provided that this letter may be extended twice for a one-year period each upon an express agreement in writing between Ecuador, acting through the Ministry, and Citi. However, the mandate set forth in this letter may be terminated by Citi or by the Ministry, in their sole and absolute discretion at any time. Each party agrees to notify promptly the other parties of any such termination, and the Ministry agrees to reimburse Citi for the reasonable and documented out-of-pocket fees and expenses of third parties employed by Citi in connection with the Transactions incurred to the date of any such notice of termination by the Ministry, and to pay any other reasonable and documented out-of-pocket fees and expenses incurred by Citi in connection with the Transactions, including costs and expenses of international and local counsel to Citi. The provisions set forth in the fourth to this twelfth and fourteenth to nineteenth paragraphs hereof shall survive any termination of this letter.

13. This letter shall become effective as an engagement of Citi if, and only if, this letter is accepted hereof, as evidenced by your signature on behalf of the Ministry of Economy and Finance. Upon such acceptance, this letter shall become a binding agreement between Citi and Ecuador, acting through the Ministry. Nothing in this letter, however, shall create or be deemed to create any obligation on the part of Ecuador or the Ministry to issue, sell, or on the part of Citi to purchase any notes or provide any financing or to commit any capital.

14. This letter shall be governed by the laws of the State of New York, except for those parts below concerning arbitration, which shall be governed by English law.

15. The parties expressly renounce ordinary jurisdiction of any court, and as a consequence, any dispute, controversy or claim, (a "**Dispute**") arising out of or in connection with this letter shall be referred to and finally resolved by arbitration at the London Court of International Arbitration

("**LCIA**") under the LCIA Rules effective on the date hereof (the "**Rules**"), which Rules are deemed to be incorporated by reference into this letter.

16. Any notice or other communication hereunder in connection with a Dispute to be sent to Ecuador shall be sent to the Ministry to Av. Amazonas entre Pereira y Unión Nacional de Periodistas, Plataforma Gubernamental de Gestión Financiera. Pisos 10 y 11, Quito Ecuador, with a copy, which shall not constitute notice, to the Procuraduría General del Estado, Edificio Amazonas Plaza, Av. Amazonas N39-123 y Arízaga, Quito Ecuador (Attention: Procurador General del Estado) and to be sent to Citi at Citigroup Global Markets Inc., 388 Greenwich Street, New York, NY 10013, USA (fax no.: +1 (646) 291-1469) (Attention: General Counsel).

17. With respect to such arbitration, (i) the number of arbitrators shall be three; (ii) except as provided in (iii) and (iv) below, each party to the Dispute shall be entitled to nominate one arbitrator; (iii) if there are multiple claimants and/or multiple respondents, all claimants and/or all respondents shall attempt to agree upon their respective appointment(s); (iv) if any such party or multiple parties fail to nominate an arbitrator within thirty (30) days from and including the date of the relevant notice of arbitration, an arbitrator shall be appointed on their behalf by the LCIA in accordance with its Rules. In such circumstances, any existing nomination or confirmation of the arbitrator chosen by the party or parties on the other side of the proposed arbitration shall be unaffected, and the remaining arbitrator(s) shall be appointed in accordance with the LCIA Rules; (v) the third arbitrator and chairman of the tribunal shall be jointly nominated by the two party-nominated arbitrators; and (vi) the provisions in the Rules regarding an Emergency Arbitrator shall not apply. The chairman of the tribunal shall be nominated thirty (30) days from and including the date of the LCIA's formal appointment of the second arbitrator. Where the two party-nominated arbitrators fail to nominate the chairman of the tribunal or such nomination is not made within time, the chairman shall be appointed by the LCIA in accordance with its Rules.

18. The seat, or legal place, of arbitration shall be London, England and all hearings shall take place in London. Accordingly the parties submit to the jurisdiction of the English courts over such arbitration proceedings. The language to be used in the arbitration shall be English. Any award rendered shall be final and binding and nothing shall prevent any party from enforcing such award in any court.

19. For the purposes of arbitration pursuant to the paragraphs 15 to 19 hereof, the parties waive any right of application to determine a preliminary point of law or appeal on a point of law under Sections 45 (Determination of a preliminary point of law) and 69 (Appeal on a point of law) of the English Arbitration Act of 1996.

20. The provisions of paragraphs 14 to 19 hereof shall apply to the Confidentiality Non-Disclosure and Non-Use Agreement entered into between the Republic of Ecuador acting through its Ministry of Economy and Finance and Citigroup Global Markets Inc. dated March 28, 2020 (the "**Confidentiality Agreement**"), as if references in such paragraphs to "this letter" were references to the Confidentiality Agreement.

21. This letter may be executed in counterparts, each of which will be deemed an original copy of this letter, and all of which, taken together, will be deemed to constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this letter by facsimile or by PDF file (portable document format file) shall be as effective as delivery of a manually executed counterpart of this letter.

[*Signature page follows*]

Very truly yours,

By: _____

Citigroup Global Markets Inc.

Name: Rodolfo Vela
Title: Managing Director

Offer accepted and the foregoing
agreed on behalf of the
Ministry of Economy and Finance
of Ecuador

By: _____
Name: Juan Hidalgo
Title: Undersecretary of Public Finance

Date of acceptance: April 7, 2020

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Annex A – Indemnity and Contribution Provisions

Ecuador, acting through the Ministry, agrees to indemnify and hold harmless Citi and its affiliates, and the directors, officers, agents and employees of Citi and its affiliates and each other entity or person, if any, that controls Citi or any of its affiliates within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities: (i) related to or arising out of (A) the contents of oral or written information provided by any of the Ministry, other government entities and their respective employees or its other agents in respect of the Transactions, which information the Ministry, Citi or its affiliates provide to any actual or potential buyers, sellers, investors or offerees, or (B) any other action or failure to act by the Ministry; or (ii) otherwise related to or arising out of the engagement or any transaction or conduct in connection therewith, except that this sub-paragraph (ii) shall not apply with respect to any losses to the extent such losses are finally determined by way of arbitration to have resulted from the gross negligence or willful misconduct of such Indemnified Person (such losses being "uncovered losses"). The Ministry further agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Ministry or any of its creditors or security holders for or in connection with the engagement or any actual or proposed transactions or other conduct in connection therewith except for losses incurred by the Ministry to the extent such losses are finally determined by way of arbitration to have resulted from the gross negligence or willful misconduct of such Indemnified Person.

If any suit, action, proceeding (including any governmental or regulatory investigation), claims or demand shall be brought or asserted against any person in respect of which indemnity may be sought pursuant to the preceding paragraph, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnity may be sought (the "Indemnifying Person") in writing, and the Indemnifying Person, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others the Indemnifying Person may designate in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary, (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person or (iii) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be an arbitral award for the plaintiff, the Indemnifying Person agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or arbitral award. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested an Indemnifying Person to reimburse the Indemnified Person for fees and expenses of counsel as contemplated by the third sentence of this paragraph, the Indemnifying Person agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such Indemnifying Person of the aforesaid request and (ii) such Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person for all liability on claims

that form the subject matter of such proceeding.

If the indemnification provided for in the first paragraph of this Annex A is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph shall contribute to the amount paid or payable by such Indemnified Person thereunder, as a result of losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Ministry on the one hand and Citi on the other hand from the applicable Transaction or (ii) if the allocation provided by sub-paragraph (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in sub-paragraph (i) above but also the relative fault of the Ministry on the one hand and Citi on the other that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Ministry on the one hand and Citi on the other shall be deemed to be in the same respective proportions as the net proceeds from the Transactions received by the Ministry, and the total fees received by Citi, bear to the aggregate amount of the Transactions. The relative fault of the Ministry on the one hand and Citi on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Ministry or by Citi and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding anything to the contrary above, in no event shall Citi be responsible under this paragraph for any amounts in excess of the amount of the compensation actually paid by the Ministry to Citi in connection with the engagement (exclusive of amounts paid for reimbursement of expenses under this letter, including this Annex, and amounts paid under this Annex).

No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The remedies provided for herein are not exclusive and should not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity. The indemnity and contribution agreements contained herein shall remain operative and in full force and effect following any termination of Citi's engagement hereunder, but shall be superseded by the Agreement in connection with the Transaction. In respect to any claims relating to any other transaction, the indemnity and contribution terms herein shall remain operative and in full force and effect unless expressly superseded in the documents for such transaction.